

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

<i>In the Matter of</i>	)	
	)	No. G 2000 - 65
	)	
<b>The Market Conduct Examination of</b>	)	<b>FINDINGS, CONCLUSIONS, AND</b>
<b>Provident Life and Accident Insurance</b>	)	<b>ORDER ADOPTING REPORT</b>
<b>Company.</b>	)	

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**BACKGROUND**

An examination of the market conduct of Provident Life and Accident Insurance Company (the Company) for the period January 1, 1995, to September 1, 1997, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to Individual and Group Long Term Disability Claims, Individual and Group Long Term Disability Complaints, and Individual and Group Disability Policy Forms.

The examination report with the findings and recommendations was transmitted to the Company for their comments on May 17, 2000. Response to the draft report was received on July 17, 2000.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Company. The report was modified to reflect new information provided by the company in their response to the draft report.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

### **FINDINGS**

The Commissioner adopts as findings the findings of the examiners as contained in the report.

### **CONCLUSIONS**

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

**ORDER**

The examination report as filed, attached hereto and incorporated by reference, is hereby ADOPTED as the final examination report.

It is ORDERED that the Company comply with the Instructions in the Report as follows (the page and other references are to the report):

1. The Company must respond to inquiries from the Office of the Insurance Commissioner within 15 working days of receipt of the inquiry as required in WAC 284-30-650. The Company is instructed to answer any future inquiries in a timely manner as required (Page 7, Standard #1, Appendix 1).
2. WAC 284-30-340 states that all pertinent claim documents must be kept in the claim file so that the claim may be reconstructed from the documents on file. The Company is instructed to comply with this regulation and ensure that file documentation is complete (Page 15, Standard #7, Appendix 4).
3. If claim payments are made without a final determination on the claim, the Company must advise the claimant of possible reimbursement in writing, per WAC 284-30-350 (7). The Company is instructed to send notification letters for all Reservation of Rights claims (Page 16, Standard #8, Appendix 5).
4. The Company is required to adopt and implement reasonable standards for the prompt investigation of claims under WAC 284-30-330 (3). The Company is instructed to adopt written claims handling procedures and standards to comply with this requirement (Standard #10, Page 17).
5. Reasonable standards must be adopted to ensure prompt payment of claims once the obligation to pay has been established as required by WAC 284-30-330 (16). The Company is instructed to adopt written claims handling procedures to ensure prompt payment of all claims (Standard #11, Page 17).

ENTERED at Lacey, Washington, this 7th day of December, 2000.

DEBORAH SENN  
Insurance Commissioner

By:

WILLIAM E. FRANSEN  
Deputy Commissioner